Loss Suffered by UTI

967. DR. GOPALRAO VITHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) what is the Net Asset Value (NAV) of US 64 unit of the Mutual fund of UTI;

(b) whether Government propose to support it through Reserve Bank of India, Financial institutions, State Bank of India and other Nationalised Banks;

(c) where and how much the UTI has invested and whether UTI has purchased the shares of Reliance Industries and at what price and how many; and

(d) what is the loss of the Unit Trust of India during 1996, 1997 and 1998?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per information provided by Unit Trust of India (UTI) Unit Scheme 1964 (US-64) is not an NAV based product. Therefore Sales and Repurchase Prices of Units of US-64 are not NAV driven.

(b) in terms of Clause 20(2)(1) of UTI Act, 1963 UTI can borrow from RBI.

(c) The details of UTI's investment alongwith its investment in shares of Reliance Industries is as follows:

Portfolio Composition as on 30.6.1998

Investment	All schemes	%
Equity	31984	53
Debentures	19249	31
Govt. Securities	2517	4
Others (e.g. money Market short term Investments and Fixed assets)	7360	12
TOTAL	61110	100

During the period July 95 to June 98. UTI purchased 20014650 Reliance Shares from the market (after adjusting for the bonus) at an average price of Rs. 160.58.

(d) According to UTI no loss was incurred during the last three years.

Losses Suffered by Investors through Deposits in NBFCs etc.

968. SHRI VEDPARKASH P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) whether any survey has been conducted to estimate the losses being incurred by the investors on account of their depositing money with the NBFCs, fake finance, firms and plantation companies, during the last three years;

(b) what steps were being taken to regulate and safeguard the interests of the investors when these companies were flourising;

(c) whether any efforts had been made to anticipate the fakeness of such companies well in time;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The Reserve Bank of India (RBI) has reported that no such survey has been conducted in this regard. Under the present system, the data relating to the loss suffered by the depositors on account of the malfeasance etc. is not generated.

(b) to (e) The activities of Non Banking financial Companies (NBFCs) are regulated by RBI under the RBI Act, 1934. by an amendment in January 1997 comprehensive changes were affected in the Act vesting more powers with the RBI. The act as amended provides for an entry point barrier, compulsory registration of NBFC by prescribing prudential norms, accounting standards etc. During the period from January 1997 till 31.10.98 prohibitory orders were issued in respect of 41 NBFCs from accepting deposits. Winding up petitions